

MEDICAL MARIJUANA ESTABLISHMENT APPLICATION EVALUATION PROCESS

This document replaces lines 96-97 of the document “NRS – NAC Provision Chart.” It is a working draft for the purposes of discussion.

Notice for Request for Qualifications; Period of Requests

1. The Division shall issue a request for qualifications to operate a medical marijuana dispensary or cultivation facility. The Division shall provide notice of a request for qualifications to operate a medical marijuana dispensary or cultivation facility by:

(a) Posting on the website of the Division that the Division is requesting applicants to demonstrate their qualifications;

(b) Posting a copy of the request for qualifications at the principal office of the Division, the Legislative Building, and at not less than three other separate, prominent places within this State; and

(c) Making notification of the posting locations from the listserv maintained by the Division for medical marijuana establishment information.

2. The Division shall accept responses to the request for qualifications issued pursuant to this section for 10 business days beginning 30 business days after the Division issues the request for qualifications.

3. If the Division receives a response to a request for qualifications issued pursuant to this at a time other than the time set forth in subsection 2, the Division must return the response to the entity that submitted the response.

Specified Items and Fee

An applicant that responds to a request for qualifications issued pursuant to section 1 of this regulation must include with its response:

1. A letter of intent to operate a medical marijuana dispensary or cultivation facility which must include, without limitation:

(a) The individual names of proposed owners, officers and board members of the proposed medical marijuana establishment, and the company name of the applicant providing the letter of intent, including the full name and title of the primary contact for the applicant;

(b) The physical address of the proposed medical marijuana establishment;

(c) The mailing address of the proposed medical marijuana establishment which must not be a post office box, and the daytime telephone number and email address of the applicant or the primary contact for the applicant;

(d) Whether the applicant intends to operate a medical marijuana dispensary or a cultivation facility, and a statement not to exceed 100 words, setting forth the intent of the applicant to submit an application to operate a medical marijuana establishment pursuant to section 10 of Senate Bill No. 374, Chapter 547, Statutes of Nevada 2013;

(e) A description of the nature of the medical marijuana establishment which the applicant proposes operating; and

(f) The signature of the applicant and the date on which the applicant signed the letter.

2. A \$1,000 nonrefundable fee for the processing of responses to a request for qualifications. This is part of the one-time nonrefundable application fee of \$5,000 set forth in paragraph (a) of subsection 2 of section 12 of Senate Bill No. 374, Chapter 547, Statutes of Nevada 2013.

3. A letter from the local jurisdiction in which the medical marijuana dispensary or cultivation facility will be located, stating that the local jurisdiction supports the applicant.

4. A copy of:

(a) The federal, state and local income tax returns and reports, if any, for the 3 most recent years, for each of the proposed owners, officers and board members of the proposed medical marijuana establishment; and

(b) Any other information evidencing the amount of taxes paid to, or other beneficial financial contributions made to, the State of Nevada or its political subdivisions by the applicant or the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment.

5. Evidence that the applicant controls not less than \$250,000 in liquid assets to cover the initial expenses of opening the proposed medical marijuana establishment and complying with the provisions of sections 10 to 20, inclusive, of Senate Bill No. 374, Chapter 547, Statutes of Nevada 2013, as required pursuant to sub-subparagraph (III) of subparagraph (2) of paragraph (a) of subsection 3 of section 10 of Senate Bill No. 374, Chapter 547, Statutes of Nevada 2013.

6. A resume for each of the proposed owners, officers and board members of the proposed medical marijuana establishment, including, without limitation, their relevant education and experience.

7. The organic production plan of the applicant, including, without limitation:

(a) The years of experience of the proposed owners, officers and board members of the proposed medical marijuana establishment in organic production;

(b) Proof of credentials from a certifying organization in organic production; and

(c) An organic production plan that has achieved certification by a recognized certifying body for organic production.

Provisions for One Response

If the Division receives only one response to a request for qualifications issued pursuant to section 1 of this regulation to operate a medical marijuana dispensary or a cultivation facility in a county within 10 business days after the Division begins accepting responses to the request for qualifications and the Division determines that the response is complete and in compliance with this chapter, the Division will issue an invitation to that applicant to apply to operate a medical marijuana dispensary or a cultivation facility pursuant to section 10 of Senate Bill No. 374, Chapter 547, Statutes of Nevada 2013.

Ranking and Evaluation Criteria

1. If the Division receives, within 10 business days after the Division begins accepting responses to a request for qualifications issued pursuant to section 1 of this regulation, more than one response from an applicant proposing to operate a medical marijuana dispensary or a cultivation facility in a county and the Division determines that more than one of the responses is complete and in compliance with this chapter, the Division

will rank the applications from a county in order from first to last using the following evaluation criteria:

(a) Whether the response to the request for qualifications is supported by the local jurisdiction in which the medical marijuana dispensary or cultivation facility will be located;

(b) The amount of taxes paid to, or other beneficial financial contributions made to, the State of Nevada or its political subdivisions by the applicant and the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment;

(c) The financial resources of the applicant, both liquid and illiquid;

(d) The knowledge and expertise of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment with respect to the medical marijuana business and relevant agricultural, food and medical production; and

(e) The organic production plan of the applicant, including without limitation, organic certifications and credentials.

2. Based on its ranking of the responses to the request for qualifications issued pursuant to subsection 1, the Division will issue a list of applicants whom the Division has identified may proceed to the next phase of the evaluation process for being issued a medical marijuana registration certificate to operate a medical marijuana dispensary or a cultivation facility.

Public Comment Provisions

1. The Division shall issue a notice of a request for public comment concerning the list of applicants it issues pursuant to section 4 of this regulation by:

(a) Posting on the website of the Division that the Division is requesting public comments concerning the identified applicants;

(b) Posting a copy of the request for public comments at the principal office of the Division, the Legislative Building, and at not less than three other separate, prominent places within this State; and

(c) Making notification of the posting locations from the listserv maintained by the Division for medical marijuana establishment information.

2. The notice issued pursuant to subsection 1 must include, without limitation, a copy of the information received pursuant to subsection 1 of section 2 of this regulation.

3. The notice issued pursuant to subsection 1 must state the final date on which public comments must be received by the Division, which must be 30 days after the notice is issued pursuant to this section.

Notice of Request for Qualifications

1. The applicant shall post two notices indicating that an applicant has responded to a request for qualifications issued pursuant to section 1 of this regulation in conspicuous places on the outside of the physical location of the proposed establishment for the duration of the 30 day public comment period.

2. The notices posted pursuant to this section must state:

(a) The information contained in the notice of a request for public comment issued pursuant to section 5 of this regulation; and

(b) The telephone number and mailing address of the Division.

3. If the Division determines that an applicant has not ensured that the notices posted pursuant to this section remain visible to the public during the entire 30 day public comment period, the Division will require the reposting of the notices and restart the 30 day public comment period, unless the Division determines that the public has received sufficient notice of the response to the request for qualifications.

3. The public comments submitted in response to a request for public comment issued pursuant to section 5 of this regulation should express to the Division concerns or support related to the proposed location of the establishment, including, without limitation:

(a) The potential adverse impact of the proposed location in the community;

(b) The effect of the over-concentration or lack of medical marijuana dispensaries or cultivation facilities in the affected area; and

(c) The proximity of the proposed location to existing schools and community facilities.

4. As used in this section, "community facility" has the meaning ascribed to it in subsection 7 of section 10 of Senate Bill No. 374, Chapter 547, Statutes of Nevada 2013.

Invitations to Apply

1. After the Division has received public comments pursuant to section 6 of this regulation, it must organize the public comments by applicant. The Division shall issue invitations to applicants to apply to operate a medical marijuana dispensary or a cultivation facility pursuant to section 10 of Senate Bill No. 374, Chapter 547, Statutes of Nevada 2013, to the applicants who were identified with the highest rankings pursuant to section 4 of this regulation and who received a high positive response from the public comments.

2. The Division shall accept applications for medical marijuana registration certificates for medical marijuana dispensaries and cultivation facilities for 10 business days beginning 30 business days after the Division issues invitations to apply for certification pursuant to subsection 1.

3. The Division shall provide notice of its issuance of invitations to apply for certification pursuant to subsection 1 by:

(a) Posting on the website of the Division that the Division has issued such invitations and a list of the applicants who have received invitations;

(b) Posting a copy of the invitation to apply at the principal office of the Division, the Legislative Building, and at not less than three other separate, prominent places within this State; and

(c) Making notification of the posting locations from the listserv maintained by the Division for medical marijuana establishment information.

4. If the Division receives an application for a medical marijuana establishment registration certificate at a time other than the time set forth in subsection 2 or from an applicant who did not receive an invitation to apply pursuant to this section, the Division must return the application to the entity that submitted the application.

Evaluation and Scoring of Applications

1. The Division shall evaluation and score applications for medical marijuana registration certificates for medical marijuana dispensaries and cultivation facilities. The Division shall review each application it has determined is complete and is in compliance with chapter 453A of NRS and this chapter and shall award points up to the maximum points available for the following subjects:

<i>Subject of Evaluation</i>	<i>Maximum Points</i>
<p><i>A. Quality of Proposed Team:</i></p> <p><i>1. Owners, officers and board members:</i></p> <ul style="list-style-type: none"> ▪ <i>Provision of oversight from board is sufficient to ensure compliance with regulations</i> ▪ <i>Prior success working with local government agencies</i> ▪ <i>Education and experience of the owners, officers and board members</i> ▪ <i>Ownership or financial interest in any other medical marijuana establishment</i> ▪ <i>Other criteria as may be deemed important by the State</i> <p><i>2. Consulting physician:</i></p> <ul style="list-style-type: none"> ▪ <i>Adequacy of credentials</i> ▪ <i>Knowledge of the compassionate use of marijuana</i> ▪ <i>Experience providing written documentation for the issuance of registry identification cards</i> ▪ <i>Other criteria as may be deemed important by the State</i> <p><i>3. Operational team:</i></p> <ul style="list-style-type: none"> ▪ <i>Project team structure clearly defines roles and responsibilities</i> ▪ <i>Knowledge and experience in the compassionate use of medical marijuana</i> ▪ <i>Clear definition of key team members</i> ▪ <i>Resumes of the team members support the duties to be performed</i> ▪ <i>All members of the team are current on child support and taxes</i> ▪ <i>Other criteria as may be deemed important by the State</i> 	20
<p><i>B. Building and Construction Plans:</i></p> <p><i>1. Proposed building plan adequately addresses the requirements for a medical marijuana dispensary or cultivation facility:</i></p> <ul style="list-style-type: none"> ▪ <i>Site meets all applicable regulations</i> ▪ <i>Floor plan includes adequate space for efficient operations and includes all necessary facilities.</i> ▪ <i>Means of egress acceptable</i> ▪ <i>Locations of lighting sources acceptable</i> ▪ <i>Plans adequate to ensure approval by the fire protection agency</i> ▪ <i>Other criteria as may be deemed important by the State</i> 	20

<p>2. <i>Construction timeline:</i></p> <ul style="list-style-type: none"> ▪ <i>Completion date for construction is reasonable</i> ▪ <i>Timeline provides sufficient detail to ensure completion</i> ▪ <i>Tasks on the timeline are consistent with the changes outlined in the construction plan</i> ▪ <i>Construction company can perform according to the timeline</i> ▪ <i>Other criteria as may be deemed important by the State</i> 	
<p><i>C. Care, Quality and Safekeeping Plan:</i></p> <p>1. <i>Adequacy of security plan to ensure the physical safekeeping of marijuana and related products:</i></p> <ul style="list-style-type: none"> ▪ <i>Inventory control system sufficient to ensure safekeeping from seed to sale</i> ▪ <i>Adequate physical security plan</i> ▪ <i>Adequate plans for transportation to ensure safekeeping</i> ▪ <i>Other criteria as may be deemed important by the State</i> <p>2. <i>Inclusion in security plan of adequate safeguards within the electronic system to safeguard the privacy and confidentiality of records:</i></p> <ul style="list-style-type: none"> ▪ <i>Physical security restricting access to hardware</i> ▪ <i>Plan includes industry standard network security measures</i> ▪ <i>Storage of data including archival data adequate to restrict access to authorized users only</i> ▪ <i>Other criteria as may be deemed important by the State</i> <p>3. <i>Inclusion of protections for the secure storage of products and maintenance of product quality:</i></p> <ul style="list-style-type: none"> ▪ <i>Plan addresses the secure disposal of unused and old supplies</i> ▪ <i>Procedure for verifying that medical marijuana received is free of contaminants</i> ▪ <i>Safe and adequate packaging</i> ▪ <i>Security measure to dispense only to qualified patients or designated caregivers</i> ▪ <i>Other criteria as may be deemed important by the State</i> 	15
<p><i>D. Operating Plan:</i></p> <p>1. <i>Adequacy of operations plan:</i></p> <ul style="list-style-type: none"> ▪ <i>Consistency of services to be offered with the skills of the proposed team</i> ▪ <i>Availability of consulting physician at the times and for the amounts of time necessary to ensure that the operation serves the needs of those using medical marijuana while at the same time safeguarding the community</i> ▪ <i>Adequacy of plan to implement an electronic verification system</i> ▪ <i>Integration of the use of the inventory control system into the routine</i> 	15

<p>registry operations</p> <ul style="list-style-type: none"> ▪ Adequacy of plan to create and maintain accurate patient records ▪ Sufficiency of plan to safeguard protected health information ▪ Integration of security and oversight plan into routine operations ▪ Other criteria as may be deemed important by the State <p>2. Adequacy of educational plan:</p> <ul style="list-style-type: none"> ▪ Completeness and appropriateness of patient educational plan to the roles of the employees ▪ Provision of security by educational plan with regard to dispensing medical marijuana only to qualified patients and designated caregivers ▪ Adequacy of educational plan for employees and volunteers to ensure they can effectively fulfill their roles and are current on practices in the compassionate use of marijuana ▪ Extent to which the educational plan addresses all aspects of the dispensary ▪ Adequacy of educational plan in addressing care, quality and safekeeping of marijuana and related products and protection of protected health information ▪ Other criteria as may be deemed important by the State <p>3. Plan to minimize environmental impact:</p> <ul style="list-style-type: none"> ▪ Adequacy of steps included in plan to maximize energy efficiency and conserve water resources ▪ Inclusion in plan of reasonable steps toward a zero-waste plan of operation ▪ Other criteria as may be deemed important by the State 	
<p>E. Community Impact:</p> <ul style="list-style-type: none"> ▪ Inclusion of a community benefit program designed to give back to the community through various services ▪ Provision of proof of past community giving to the Nevada Grants Management Focus Program within the last three years ▪ Score received from public comment ▪ Other criteria as may be deemed important by the State 	10
<p>F. Financial Resources:</p> <ul style="list-style-type: none"> ▪ Inclusion of sufficient financial information to understand the estimated costs for building, operation, compensation of employees, equipment costs, utility costs and other operations and maintenance costs as needed ▪ Sufficiency of capital in place to build, secure, start up and operate the proposed establishment ▪ Other criteria as may be deemed important by the State 	10
<p>G. Business and Marketing Plan:</p>	10

<ul style="list-style-type: none"> ▪ Suitability of location to number of persons engaged in the use of medical marijuana to be successful ▪ Consistency of cash flow projections with the size of the market that will be served ▪ Acceptable plan for signage at proposed location of establishment ▪ Acceptable plan for advertising ▪ Other criteria as may be deemed important by the State 	
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2. The Division shall issue medical marijuana establishment registration certificates by county based on the total number of points awarded to a dispensary or cultivation facility pursuant to this section. If two or more applicants have the same total number of points, the Division shall randomly select the applicant who will be issued the last medical marijuana establishment registration certificate for a medical marijuana dispensary or cultivation facility for that county from among those applicants with the same total number of points.

3. The Division shall issue medical marijuana establishment registration certificates by county up to the maximum number allowed by section 11 of Senate Bill No. 374, Chapter 547, Statutes of Nevada 201, or by these regulation, in rank order, based on the total number of points awarded to a dispensary, cultivation facility, or lab pursuant to this section. If two or more applicants have the same total number of points, the Division shall randomly select the applicant who will be issued the last medical marijuana establishment registration certificate for a medical marijuana dispensary, cultivation facility, or lab for that county from among those applicants with the same total number of points.

4. The Division is not required to issue the maximum number of medical marijuana establishment registration certificates as set forth in these regulations.

5. If the Division does not issue a medical marijuana establishment registration certificate to an applicant to operate a medical marijuana dispensary or cultivation facility after determining that the application is complete and in compliance with chapter 453A of NRS and this chapter, the Division shall provide a written notice to the applicant stating that, although the applicant's application for a medical marijuana dispensary or cultivation facility was complete and in compliance with chapter 453A of NRS and this chapter, the Division did not issue a medical marijuana establishment registration certificate to the applicant as a result of the provisions of this section.

Laboratory and Edibles Production/Infusion Establishments

1. The Division shall accept applications for medical marijuana establishment registration certificates for independent testing laboratories or facilities for the production of edible marijuana products or marijuana-infused products for 10 business days beginning 10 calendar days after the Division provides notice that it will be accepting such applications. The Division shall provide such notice by:

(a) Posting on the website of the Division that the Division will be accepting such applications;

(b) Posting a copy of the notice at the principal office of the Division, the Legislative Building, and at not less than three other separate, prominent places within this State; and

(c) Making notification of the posting locations from the listserv maintained by the Division for medical marijuana establishment information.

2. If the Division receives an application for a medical marijuana establishment registration certificate for an independent testing laboratory or a facility for the production of edible marijuana products or marijuana-infused products an at a time other than the time set forth in subsection 1, the Division must return the application to the entity that submitted the application.

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